the Credit Guarantee Fund Trust for Small Industries (CGTSI) to operationalise the Mutual Credit Guarantee Scheme (MCGS). The scheme aims to provide collateral free loans under which CGTSI gives counter guarantee to Mutual Credit Guarantee Funds set up by Industry Associations in respect of credit availed by their member small scale industrial units from the dedicated banks. The CGTSI has already started consultations with industry associations seeking their interest in setting up the MCGS.

Reservation policy for SSIs

3081. SHRI R.R GOENKA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is not contradictory to carry on with the reservation policy for the SSIs after removal of restrictions on import of a majority of items;

(b) whether such reservation is coming in the way of exports of some of the commodities; and

(c) if so, whether Government are going to review the reservation policy?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) While the removal of Quantative Restrictions (QRs) on imports has implied greater integration of the Indian economy with the world, it is necessary that in the transition period employment, balanced regional growth and utilization of local resources by local entrepreneurs is promoted through support to SSIs. This is sought to be achieved through the policies and programmes for the Sector. In addition, the policy on reservation for exclusive manufacture in the SSI Sector also permits manufacture of reserved items by non-SSI units in the country with an export obligation of 50%.

(b) SSI Sector continues to contribute about 35% of national exports. A large number of measures have been put in place by Government to support the SSI units in this endeavor. Based on consultations with stakeholders, Government has also been enhancing the investment ceiling to Rs. 5.00 Crores in respect of items with high export orientation/potential.

(c) The issue of reservation/de-reservation of items for exclusive manufacture in the SSI Sector is examined on a continual basis by the Government through consultations with various stakeholders and by the Advisory Committee constituted under the Industries (Development & Regulation) Act, 1951 .These reviews consider various relevant aspects including *inter alia* trends and development in external trade, domestic and global competitiveness, potential for employment and export, technical feasibility and economic viability of manufacture in the small scale sector etc'

Closure of SSIs

3082. SHRI EKANATH K. THAKUR: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(b) whether it is a fact that thousands of Small Scale Industries (SSI) units are on the verge of closure due to unprecedented rise in the price of natural rubber;

(c) if so, the reasons for this price rise; and

(d) the remedial steps Government propose to take to prevent closure of SSI units?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) to (c) As per the information received from the Rubber Board, with the integration of the Indian economy with the global economy, the domestic price of natural rubber is moving in tandem with the international market which has been moving up. The increase in rubber prices is mainly due to increased demand for the rubber and the production not keeping pace with consumption. However, the rubber Board has not received any representation from any of the rubber manufacturing units or their representatives regarding closure of any small scale unit due to increase in the price of natural rubber.

Closure of SSIs in Rajasthan

3083. SHRI AIMADUDDIN AHMED KHAN (DURRU): Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of small scale industries lying closed in Rajasthan, during the last 3 years and as on date, district-wise;